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Market Administrator's

# BULLETIN

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ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

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## President Acts To Restrict Dairy Imports

July, 1967

Imports of dairy products will be reduced to one-fourth the present volume beginning July 1, 1967, under a proclamation issued by President Johnson which place import quotas on a number of dairy products for the first time.

Hailing the action as promising "long-sought relief both to dairy farmers and the taxpayer," Secretary of Agriculture Orville L. Freeman pointed out that dairy imports would be cut from an annual rate of nearly 4.3 billion pounds milk equivalent currently to about 1 billion pounds.

Since Jan. 1 through June 27, the Secretary noted, USDA purchases under the dairy price support program are 208 million pounds of butter, 101.9 million pounds of cheese, and 379 million pounds of dry milk—or the milk equivalent of 5.5 billion pounds—at a cost of \$265.6 million.

Dairy imports have increased sharply from about 900 million pounds milk equivalent in 1965 to 2.8 billion pounds in 1966 and are running at an annual rate of nearly 4.3 billion pounds during the first half of 1967. Most of the increase has been in the form of butterfat/sugar mixtures used in ice cream manufacture, and Colby cheese, a cheddar-like cheese used mainly in manufacturing process American cheese.

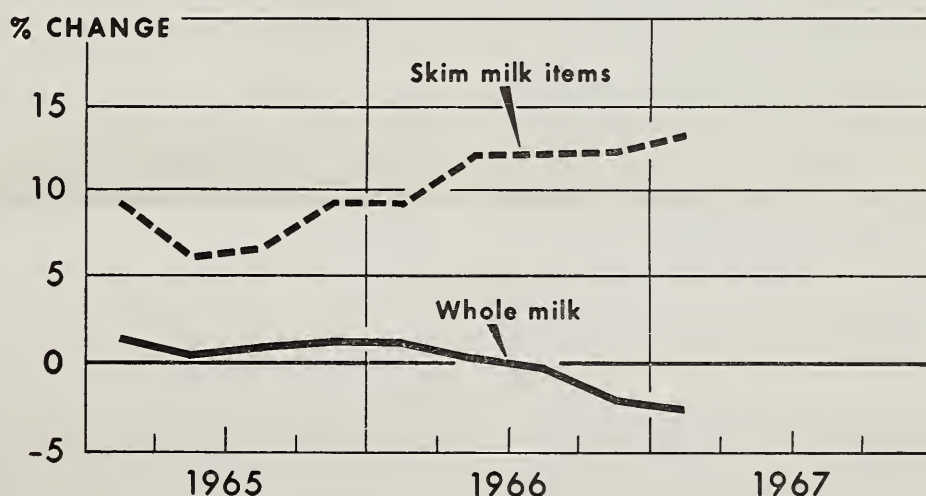
The Proclamation, issued under the authority of Sec. 22 of the Agricul-

tural Adjustment Act, as amended, will result in an overall annual level of dairy imports of around one billion pounds of milk equivalent. This will bring imports to less than 1 percent of domestic milk production, which currently is running at about 121 billion pounds annually.

The cutback in imports will be achieved by bringing the high-volume items under the existing import quota system for the first time. These items include the butterfat/sugar mixtures, such as Junex; Colby and other American types of cheese other  
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### QUARTERLY FLUID MILK SALES

Change from Same Quarter of Previous Year



BASED ON DAILY AVERAGE SALES, PRODUCT WEIGHT.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 5235-67 (6) ECONOMIC RESEARCH SERVICE

During the past year, sales of fluid whole milk have fallen below year-earlier rates, while sales of skim milk climbed to more than 13 percent above a year earlier. However, the rate of gain has flattened since mid-1966. These changes coincide with increases in retail prices in the last half of 1966, and slower gains in economic activity during 1967. Increased sales of skim milk products have about maintained total pounds of fluid products sold, despite drops of about 2½ percent in fresh whole milk sales, 5 percent in sales of milk and cream mixtures and 2 percent in cream items.





*Columbus*

## MARKET FACTS FOR EASY REFERENCE

### PRICE SUMMARY

|  | June<br>1967 | May<br>1967 | June<br>1966 |
|--|--------------|-------------|--------------|
| Producers' Uniform Price (3.5%) .....                            | \$4.80       | \$4.86      | \$4.45       |
| Class I (3.5%) .....   | 5.60         | 5.60        | 5.18         |
| Class II (3.5%) .....  | 3.91         | 3.91        | 3.67         |
| Producer Butterfat Differential for each one-tenth percent ..... | 8.9¢         | 8.9¢        | 8.4¢         |

### UTILIZATION SUMMARY

|   | June<br>1967 | May<br>1967 | June<br>1966 |
|---|--------------|-------------|--------------|
| Percent of Producer Milk in Class I .....       | 67.0         | 72.3        | 67.5         |
| Percent of Producer Butterfat in Class I .....  | 64.9         | 67.3        | 65.7         |
| Percent of Producer Milk in Class II .....      | 33.0         | 27.7        | 32.5         |
| Percent of Producer Butterfat in Class II ..... | 35.1         | 32.7        | 34.3         |

### PRODUCER MILK RECEIPTS

|  | June<br>1967 | May<br>1967 | June<br>1966 |
|--|--------------|-------------|--------------|
| Total Pounds Producer Milk Delivered ..... | 47,489,111   | 50,798,786  | 47,313,818   |
| Average Daily Class I Producer Milk .....  | 1,072,274    | 1,204,313   | 1,145,247    |
| Total Number of Producers .....            | 1,544        | 1,539       | 1,546        |
| Average Daily Receipts per Producer .....  | 1,013        | 1,065       | 1,020        |
| Average Butterfat Test .....               | 3.57         | 3.72        | 3.56         |
| Total Value of Producer Milk at Test ..... | \$2,416,729  | \$2,687,510 | \$2,240,922  |
| Income per Producer (7 Day Average) .....  | \$360        | \$394       | \$338        |

### GROSS CLASS USE (Pounds)

|                          | June<br>1967 | May<br>1967 | June<br>1966 |
|--------------------------|--------------|-------------|--------------|
| Class I Skim .....       | 30,730,161   | 35,472,608  | 30,823,553   |
| Class I Butterfat .....  | 1,099,626    | 1,270,547   | 1,107,608    |
| Class I Milk .....       | 31,829,787   | 36,743,155  | 31,931,161   |
| Class II Skim .....      | 15,064,114   | 13,438,469  | 14,803,173   |
| Class II Butterfat ..... | 595,210      | 617,162     | 579,483      |
| Class II Milk .....      | 15,659,324   | 14,055,631  | 15,382,656   |

### AVERAGE DAILY SALES (Quarts)

|                  | June<br>1967 | May<br>1967 | June<br>1966 |
|------------------|--------------|-------------|--------------|
| Milk .....       | 378,366      | 410,941     | 399,972      |
| Buttermilk ..... | 6,396        | 5,694       | 7,162        |
| Chocolate .....  | 18,881       | 32,449      | 19,050       |
| Skim .....       | 10,921       | 12,738      | 11,323       |
| Cream .....      | 6,492        | 6,931       | 8,085        |



COMPARATIVE STATISTICS

COLUMBUS MARKETING AREA

JUNE 1958 - '67

| Year | Receipts From Producers | Average Butter-fat Test | Percentage of Producer Milk in Each Class |          |           |          | Uniform Producer Price (3.5%) | Class Prices at 3.5% |          |           |          | Number of Producers | Daily Average Production |
|------|-------------------------|-------------------------|---|----------|-----------|----------|-------------------------------|----------------------|----------|-----------|----------|---------------------|--------------------------|
|      |                         |                         | Class I                                   | Class II | Class III | Class IV |                               | Class I              | Class II | Class III | Class IV |                     |                          |
| 1958 | 27,893,568              | 3.66                    | 66.3                                      | 7.0      | 9.9       | 18.9     | 3.40                          | 4.069                | 3.669    | 3.648     | 2.847    | 1,816               | 512                      |
| 1959 | 29,782,303              | 3.64                    | 69.8                                      | 7.9      | 4.0       | 18.3     | 3.62                          | 4.307                | 3.907    | 6928      | 2.873    | 1,760               | 564                      |
| 1960 | 29,844,239              | 3.69                    | 68.3                                      | 7.5      | 3.3       | 20.9     | 3.53                          | 4.208                | 3.808    | 2648      | 2.886    | 1,657               | 600                      |
| 1961 | 31,252,379              | 3.62                    | 64.1                                      | 7.7      | 3.7       | 24.5     | 3.68                          | 4.363                | 3.963    | —         | 3.160    | 1,242               | 839                      |
| 1962 | 34,859,645              | 3.61                    | 64.4                                      | 8.0      | 4.6       | 23.0     | 3.45                          | 4.12                 | 3.769    | 3.780     | 2.932    | 1,313               | 885                      |
| 1963 | 38,916,958              | 3.59                    | 67.1                                      | 7.1      | 5.2       | 20.6     | 3.54                          | 4.18                 | 3.803    | 3.552     | 2.991    | 1,671               | 953                      |
| 1964 | 49,000,295              | 3.58                    | 65.9                                      | 34.1     | —         | —        | 3.55                          | 4.17                 | 3.11     | 3.611     | —        | 1,361               | 976                      |
| 1965 | 46,611,260              | 3.50                    | 70.4                                      | 29.6     | —         | —        | 3.91                          | 4.57                 | 3.16     | —         | —        | 1,661               | 935                      |
| 1966 | 47,313,818              | 3.56                    | 67.5                                      | 32.5     | —         | —        | 4.45                          | 5.18                 | 3.67     | —         | —        | 1,546               | 1,020                    |
| 1967 | 47,489,111              | 3.57                    | 67.0                                      | 33.0     | —         | —        | 4.80                          | 5.60                 | 3.91     | —         | —        | 1,544               | 1,013                    |

## Major Agricultural Trade Exhibition Planned for Japan in 1968

United States Department of Agriculture, July, 1967

Secretary of Agriculture Orville L. Freeman has announced that the U.S. Department of Agriculture will sponsor in the spring of 1968 a major promotional exhibition in the largest overseas market for U.S. farm products—Japan.

The exhibition will be presented April 5-21 at Harumi Wharf in the heart of Tokyo, the site of Japan's International Trade Fair and other major expositions. It will be a "solo" U.S. event with no other countries participating.

In keeping with the spirit of Japan's 1968 Meiji Centennial, which marks the opening of Japan to trade with the West, the exhibition will take on some of the characteristics of a festival marking Japan's large and growing trade with the United States.

In addition to special features for the Japanese public and food trades, people-to-people visits will be encouraged. It is expected that a large number of American food, agriculture and government representatives will go to Japan to meet with Japanese people in similar professions.

In announcing the plans, Secretary Freeman said: "The immediate objective of this exhibition is to strengthen further Japan's obvious goodwill toward U.S. food and agricultural products. We will do this with exhibits and interesting features aimed at getting the attention of the Japanese public, together with special activities which bring together Jap-

anese and American trade, agricultural, and government leaders.

"From a long-range viewpoint, we hope to increase Japan's demand for U.S. food and agricultural products, which it already is buying at the rate of nearly a billion dollars a year. And we want to emphasize our dependability as a supplier of these products.

"In carrying out these objectives, we will seek the active cooperation of U.S. agricultural trade organizations, commercial firms, farm organizations, State Governments, and other groups that have a stake in the important Japanese market."

Japan has been the leading customer for U.S. farm products since 1961. It annually purchases the output of about 11 million U.S. acres—equivalent to the entire harvested acreage of the State of Indiana or Missouri.

In Fiscal Year 1966, U.S. farm exports to the Japanese market totaled \$914 million. They are estimated at about \$960 million in Fiscal Year 1967, and at the present growth rate should reach \$1 billion in the present fiscal year.

Feed grains were the top commodity among Fiscal Year 1966 exports to the Japanese market, with a value of \$234 million. Soybeans (plus oil and meal) were next at \$195 million. Then came wheat and flour, \$114 million; cotton, \$92 million; hides and skins, \$44 million; tobacco, \$40 million; rice, \$39 million; tallow, \$36

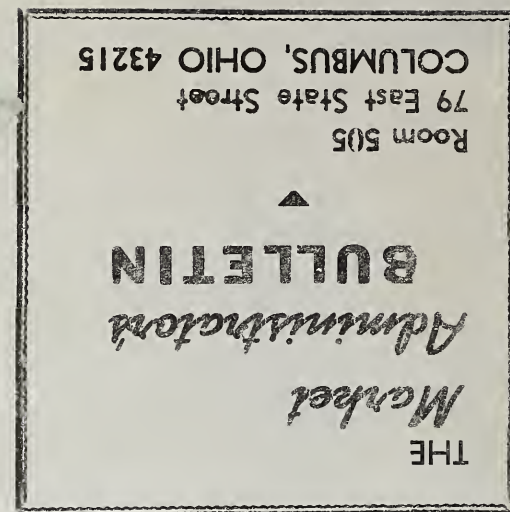
million; safflower seed, \$16 million; fruits, \$14 million; dairy products, \$9 million; poultry, \$4 million; vegetables, \$4 million; nuts, \$3 million; plus some \$70 million in miscellaneous products, including processed foods, variety meats, field and garden seeds, hops, essential oils, and others.

Japan is strictly a cash customer for U.S. farm products, buying on commercial terms and paying in dollars. In the late 1940's and early 1950's, it was a recipient of food aid; its spectacular economic growth since has made it an outstanding cash market. In Fiscal Year 1966, Japan accounted for nearly 20 percent of U.S. agricultural exports for dollars.

The present economic outlook for Japan is good. The growth in gross national product was 8.7 percent in the fiscal year which ended March 31, 1967. This indicates a rapid recovery from the slight recession of 1965 and is close to the 1964 record level.

Unemployment in Japan is relatively low; wages are rising; many women are working outside the home; and diets are improving, with more meat, milk, eggs, and processed foods being used. With only 15 percent of the land area suited to crops, Japan imports about 30 percent of her food. Competition for this business is keen. Canada, Australia, Denmark, the Netherlands, and other food exporters actively promote in the Japanese market, along with the United States.





## PRESIDENT ACTS . . .

(Continued from Front Page)

than Cheddar (which is now under quota); and frozen cream. Butter, butteroil, dried milks, certain competitive cheese, and other dairy products already are imported under quotas. Certain items with limited markets, including chocolate crumb, process Edam and Gouda, and processed Italian-type cheese will not be placed under the quotas system.

Secretary Freeman emphasized that the Presidential Proclamation will result in a volume of imports substantially below the overall level recommended by the Tariff Commission. Under Sec. 22, the President directs the Commission to investigate the impact of imports on domestic farm programs and to report its findings and recommendations to him. The Commission report, recommended quotas under which total imports would have been around 2.8 billion pounds milk equivalent, or about the 1966 level.

"The President could not accept that recommendation," Secretary Freeman said, "since it would add about \$100 million annually to the cost of the dairy price support program compared with the level proclaimed by the President."

The Secretary welcomed the President's action as a measure which "will help relieve the cost-price squeeze which dairy farmers particularly have felt in recent years.

## Market Quotations

JUNE  
1967

|   |        |
|---|--------|
| MINNESOTA - WISCONSIN PRICE SERIES .....  | \$3.96 |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus) .....   | 3.91   |
| Average Price per lb. 92-score butter at Chicago .....  | .6647  |
| Average carlot prices non-fat dry milk solids<br>roller and spray process, f.o.b. manufacturing plant ..... | .1947  |

"The upsurge of imports—made up largely of low-priced products specifically manufactured to avoid our import quotas has greatly aggravated that condition.

"The President's action will end an intolerable situation where both the farmer and the taxpayer have lost, and where the consumer has gained no discernible benefit."

According to the Proclamation, which was effective July 1, 1967, annual imports of all American-type cheese will be limited by quotas to a total of approximately 16 million pounds. This includes an increase in the previous Cheddar cheese quota of about 2.8 million pounds, as well as a new quota for Colby and other American-type cheese, and a separate quota of 1,225,000 pounds for Cheddar aged 9 months or more. By comparison, 1966 imports of Colby cheese alone were 46.8 million pounds. In the first half of 1967, Colby imports were about 50 million pounds.

Butterfat/sugar mixtures will be restricted to 2,580,000 pounds annually. This figure is only a fraction

of the 106 million pounds imported in 1966 and is approximately the 1961-65 average before the import surge began.

Frozen cream also will be brought under quota. The limit is set at 1.5 million gallons annually.

Secretary Freeman called the new Proclamation "a vital move in our continuing effort to assist the dairy farmer by bringing production and supply into a healthy relationship with demand." He also noted that the new commodity descriptions called for by the Proclamation should effectively foreclose the type of wholesale quota evasions which prompted the Administration's Sec. 22 action.

Quota shares (by country) for American-type cheese will be announced later. Secretary Freeman stated that, "I have been directed by the President to allocate the quotas among the supplying countries, taking into account trade during the representative period and any special factors involved."